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ABSTRACT

A short fictional work for limited English speakers relates a young couple's experience in learning about buying home furnishings. The newly married couple need a comfortable place to sit in their living room but cannot afford to buy a sofa in one payment, and they do not qualify for credit cards. They consider the prices and credit arrangement at different furniture stores, and learn about what to look for in the way a couch is constructed and upholstered. After finding a relatively affordable couch that they like, they consider the space available in their apartment and the color that they want, and learn that they can select colors from a large selection. They compare the price involved in paying for the couch within three months and over a longer period on credit. They compare their experience in making a downpayment and paying off the couch monthly and that of friends who bought a couch on a lay-away plan. Photographs illustrate the story. (SW)

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Good Buy!

Buying Home Furnishings

by

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U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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This is a work of fiction. Any relationship between the people, places, products, and events in this book and real people, places, products, and events is coincidental.

CHAPTER 1

Ron and Alice Bell have been married for six months. They live in an apartment. They don't have a lot of furniture. Their parents gave them some old furniture when they got married. Ron's brother gave them his old TV. Ron and Alice are glad that they have this old TV. They don't have enough money to buy a new TV.

Ron works in an office. Alice is looking for a job. She thinks about many different kinds of jobs. She doesn't know what kind of job she wants. But she hopes that she can find a good job soon.

Alice wants to get a job. She wants to have money for herself and Ron. She wants to help buy things for their apartment.

After dinner, Ron and Alice watch a TV show. Then Ron picks up the newspaper. He wants to find out what else is on TV tonight. He looks through the newspaper. He sees some ads for furniture. He thinks about the ads. He thinks about their living room. Ron would like to buy some nice furniture for their apartment.

"I hate this chair," he says to Alice. "It isn't comfortable."

"I hate that chair too," says Alice. "I don't like to sit on it. It's too hard. And it doesn't look good in our living room. I wish that we had a couch. Then we could sit on it together and watch TV."

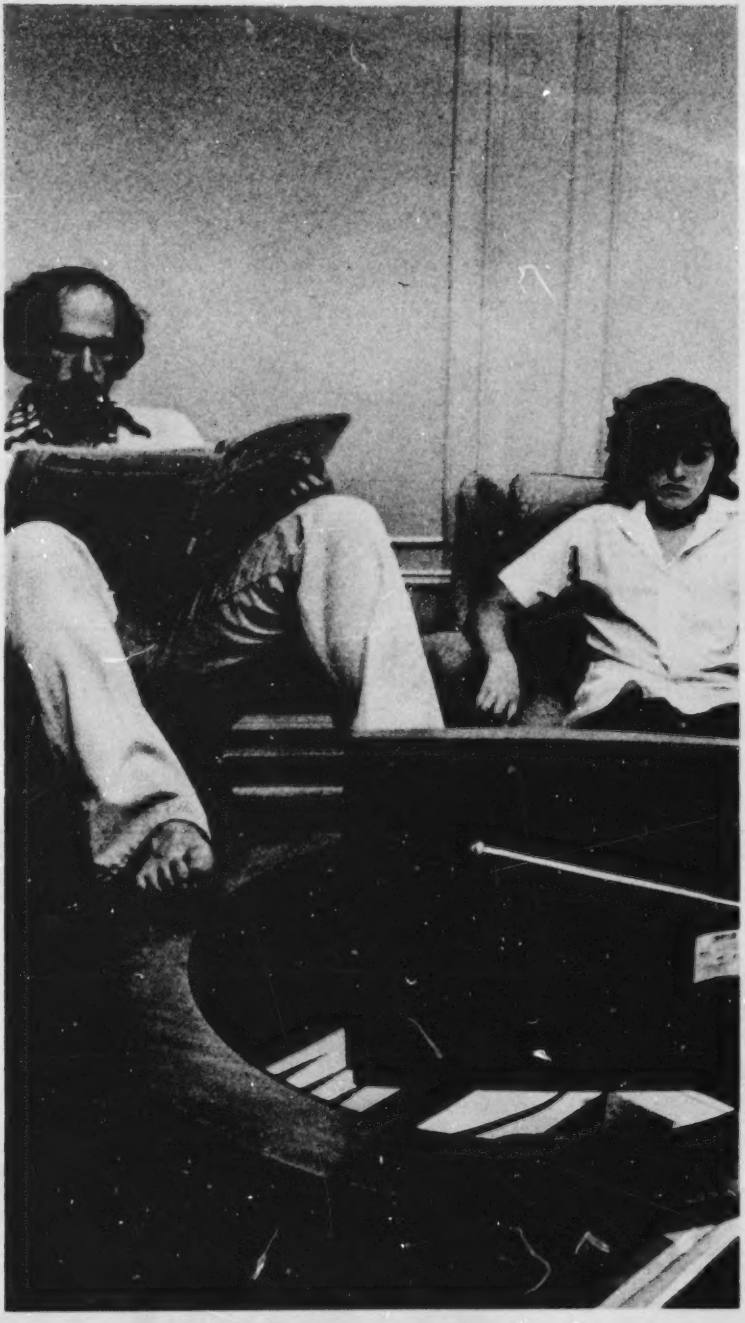
"I'd like to buy a couch," Ron says. "Maybe we can find a good one."

"But we don't have a lot of money," Alice says.

"Well, maybe we can find a cheap couch," Ron says.

"Yes, but we need a strong one," Alice says. "It has to last for a long time."

"You're right," Ron says. "We have to be careful with our money. Couches are expensive. We can't buy a new one every year."



"Look at this ad," Ron says. "This couch doesn't cost too much money."

Alice looks at the furniture ad.

"We walked by that store a few weeks ago," Alice says. "They had nice furniture in the window."

"I remember," Ron says. "Their furniture looked expensive. But the couch in this ad isn't so expensive. Let's go look at this couch on Saturday."

"Great!" says Alice. "But do we have enough money to buy a couch now?"

"I don't know," Ron says. "Maybe."

Alice feels bad because she doesn't make any money. Ron holds her hand. He wants to make her feel better. Alice wants to help pay the bills. She wants their new home to look nice.

Ron gets up and looks in the desk. He finds the passbook for their savings account. He wants to see how much money they have in their savings account. Ron shows the passbook to Alice.

"See?" he says. "We have saved some money."

"Yes," Alice says. "But that's not enough money for a couch. I wish that I had a job. Then we would have more money. Then we could buy a couch now."

"Don't worry," Ron says. "You'll find a job soon. Anyway, we shouldn't spend all of our savings on a couch. Then we wouldn't have any money in our savings account. What would we do in an emergency?"

"You're right," Alice says. "We should always have some money in our savings account."

"I know," Ron says. "We can't use all of the money in our savings account. But we can spend some of it on a couch."

"Maybe we can buy a couch on credit," Alice says.

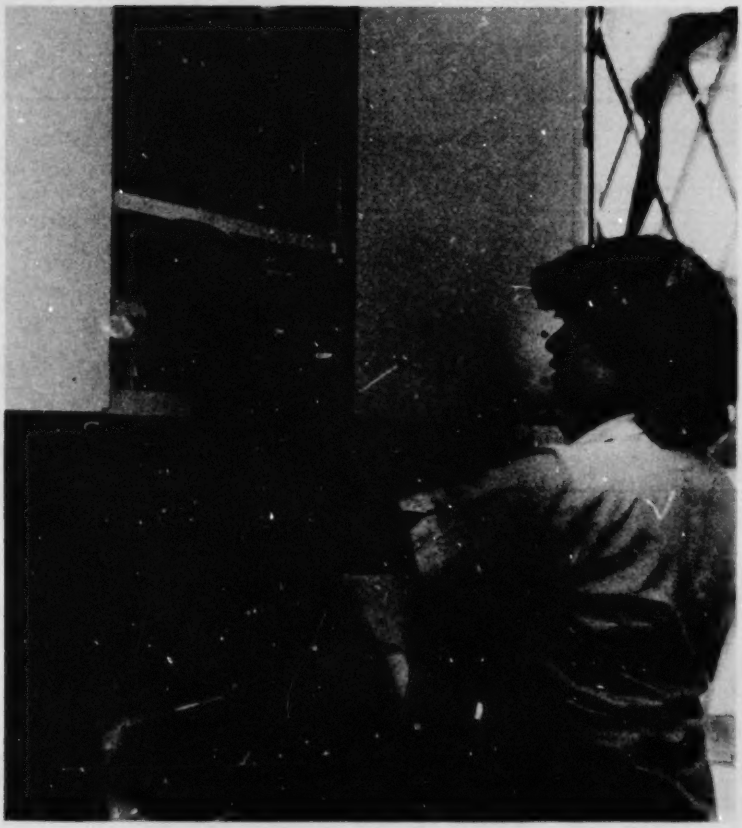
"I don't know," Ron says. "We don't have any credit cards. We always pay for things in cash. We don't have charge accounts in any department stores. Some furniture stores may have a credit plan. Maybe we can use their credit plan."

A few months ago Ron and Alice tried to get a credit card. Ron filled out an application at a bank. The people at this bank looked at their application. Then they said that they couldn't give the Bells a credit card. Ron didn't make enough money at his job. He hadn't had this job for a long enough time.

Ron filled out applications for credit cards from some other banks. The other banks also told Ron that they couldn't give the Bells a credit card. Sometimes it is hard to get credit.

Ron and Alice will have to talk to the people at the furniture store. Maybe they can buy a couch on the store's own credit plan.

Then Ron and Alice talk about the fabric for the new couch. Alice thinks that she wants a couch with many colors in the fabric. Ron thinks that he wants a couch with one color.



Alice decides to get some soda. She goes into the kitchen. She gets two glasses for the soda. She looks at their dishes.

"I would like some pretty dishes too," she thinks. "They wouldn't cost as much money as a couch."

Alice brings some soda to Ron.

"We need new dishes too," Alice tells him.

"Our dishes are OK," Ron says. "We can still use them. But we really do need a couch. We need a comfortable place to sit in the living room."

CHAPTER 2

All week Alice and Ron talk about a new couch. They decide to go to some furniture stores on Saturday. They want to find out how much a couch would cost. They also want to find out about the credit plans in the furniture stores.

On Saturday Ron and Alice go shopping. They have to go to many different stores. They will have to look at many different couches.

Furniture stores have different credit plans. Ron and Alice will have to ask about these plans. Then they will have to decide which store has the best plan for them.

Alice and Ron look in the windows of a furniture store.

"Look at that couch," Alice says. "I like that one."

"I don't like that fabric," Ron says. "But let's go in and look at the couches in this store."

Alice and Ron go into the store. They see a couch like the one in the window. They sit down on it. It is comfortable.

A salesclerk comes over to Ron and Alice. The salesclerk shows them the different parts of the couch. First, she shows them the cushions. She tells them that the cushions should fit together. There shouldn't be too much space between them. The cushions in this couch are good.

Then the salesclerk tells them about the frame. Some frames are made of wood. The wood may be hard or soft. Soft wood may break. Other frames are made of metal. Metal and hard wood won't break easily. The frame of this couch is made of hard wood. Customers have to feel the frame. It should feel strong. The parts of the frame should stay together for a very long time.

Then Alice sees another pretty couch. It has a sign on it. The sign says "ON SALE." Alice, Ron and the salesclerk go over to see this couch. Alice sits down on this couch. It is comfortable.

Ron looks at the couch carefully. He wants to know why this couch is on sale. He looks at the cushions. Then he looks at the arms of the couch. There is no fabric on the arms of this couch. These arms are wood. Ron sees a chip in the wood on one arm. He asks the salesclerk about this chip. She tells Ron that this couch is on sale because of this chip. She also tells Alice and Ron that they could have this couch right away.

Ron and Alice think about this couch. They would like to have a couch right away. This couch doesn't cost a lot of money. But then they decide that they don't want a couch with a chip in it.

Ron and Alice tell the salesclerk that they will come back to this store. They have to look at a lot of couches. They have to go to many stores. They have to get the best couch for their money.

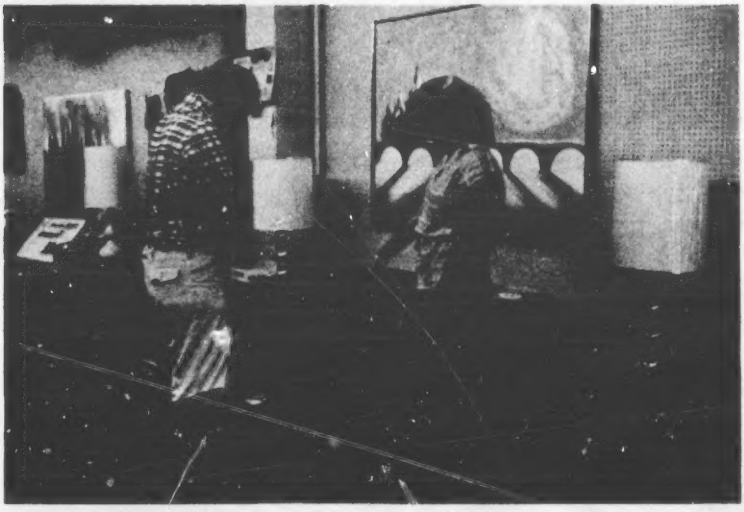
Ron and Alice leave the store. They walk down the street.

"Let's go to Freed's Furniture," Alice says. "We liked their couch in the newspaper ad. I also want to see the other couches there."

"OK," says Ron. "We have to walk a few blocks."

On their way to Freed's, Ron and Alice talk about the arms of the couch. The arms of some couches only have wood. Other couches have fabric on the arms. Alice and Ron decide that they want fabric on the arms of their new couch.

Then Ron and Alice look in the windows of Freed's Furniture store. Alice likes the couch in the window. She likes a couch with a lot of colors on it. But Ron thinks that he would like a couch with just one color.



Alice and Ron go into Freed's Furniture. They look at the couches. They think about the couch in the newspaper ad. They look for one like it. They look all over the store. They can't find it.

Then they see a green couch. It looks like the couch in the newspaper ad. They sit down on it. It is comfortable. It is a pretty couch. Alice and Ron think that it will look good in their living room.

Ron looks at the price tag. This couch is very expensive. The couch in the newspaper ad didn't cost so much money.

Alice and Ron look around the rest of the store. They find another pretty couch. It is also very expensive.

Ron looks for a salesclerk. He finds one. Ron asks him about the couch in the newspaper ad.

"We don't have any more of those couches," he tells Ron. "We did have them last week, but we sold all of them. I do have a couch almost like it. It is almost the same as the couch in the newspaper ad. Let me show it to you."

Ron gets Alice. They go to look at this couch.

"How much does this couch cost?" Alice asks the salesclerk.

The salesclerk tells them the price. It is very expensive.

"The couch in the newspaper ad didn't cost so much money," Alice says.

"Yes, that couch was on sale," the salesclerk tells them. "But we don't have any more of them. This couch is really better. It will last longer."

"Maybe," Alice says. "But we can't spend so much money."

"We have credit plans," the salesclerk says.

"It's still too much money," Alice says.

"Let's find out about their credit plans," Ron says.

"No," Alice tells him. "The couches in this store are too expensive for us. We can't spend that much money on a couch."

"But maybe this store will give us credit," Ron says.

"So what!" Alice says. "We can't buy an expensive couch."

Ron and Alice leave the store and go to a restaurant.

At lunch Alice says, "I liked that couch. It looked like the couch in the newspaper ad. But it really was too expensive."

"It sure was," Ron says. "I think that the newspaper ad was a fake. I don't think that the store ever had that couch. The price was too low for that store. None of their other couches were so cheap. I think that the store just wanted people to shop in their store. Many people forget about the prices in the newspaper ad when they buy something."

"Can the store do that?" Alice asks.

"I don't think so," Ron says.

"Well, we won't go there again," Alice says.

Ron and Alice go to some other furniture stores. They look at many couches. They don't want to buy any of the couches in these stores. They get tired. But they decide to try one more store.

Alice and Ron look in the windows of Furniture Mart. Alice remembers that her mother bought a table in this store.

"They have nice things in this store," says Alice. "Let's go in."

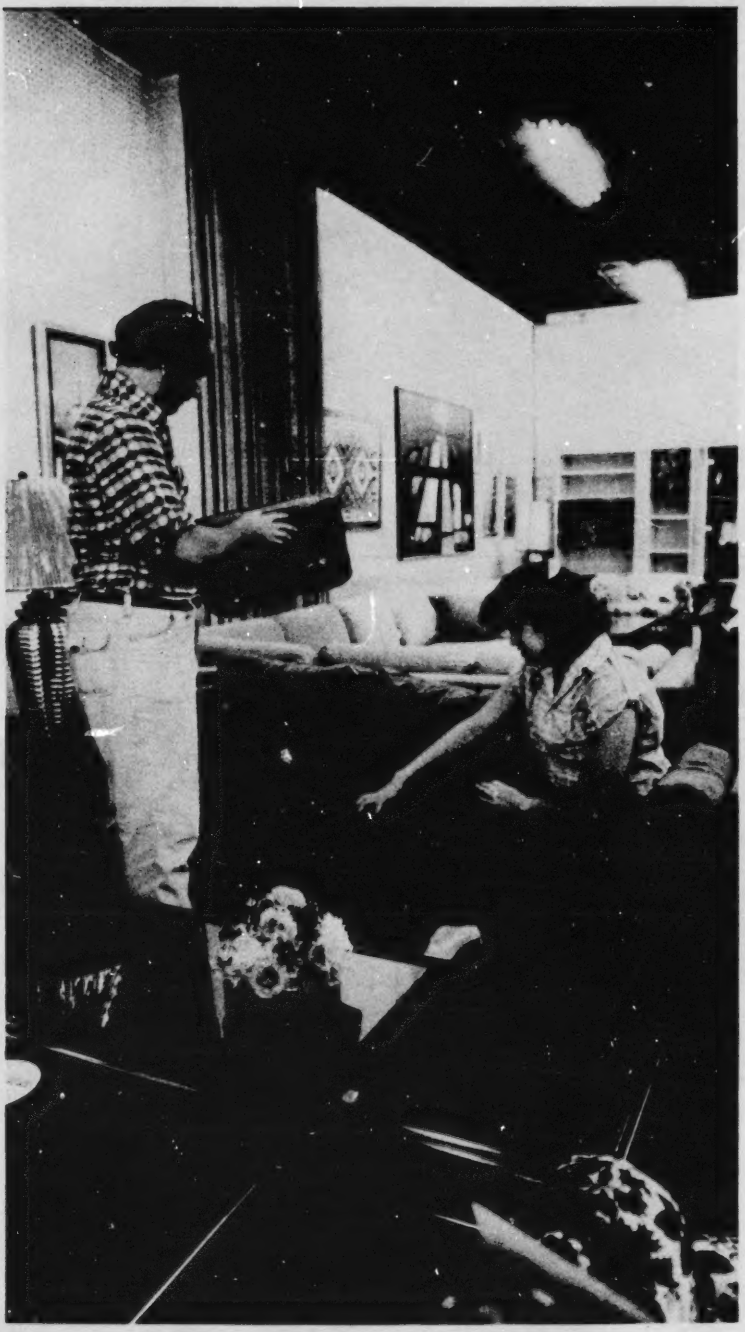
"OK," Ron says. "But let's not stay for a long time."

Alice and Ron go into Furniture Mart. Ron sees a sign on a table. He decides to sit down and read the sign. The sign tells consumers how to buy furniture.

Consumers should look at the frame, the fabric and the cushions. The frame should be made of hard wood or metal. The parts of the frame should stay together. The fabric should be strong. The threads should be close together. The seams should be tight.

Some fabric comes with something on it. It helps keep the fabric clean.

The cushions should be soft, but strong. There shouldn't be any lumps or bumps in the cushions. Consumers should read the label and the tags on furniture. These things will tell what the couch is made of.



Then Alice looks at a brown couch.

"Come look at this one," she says to Ron.

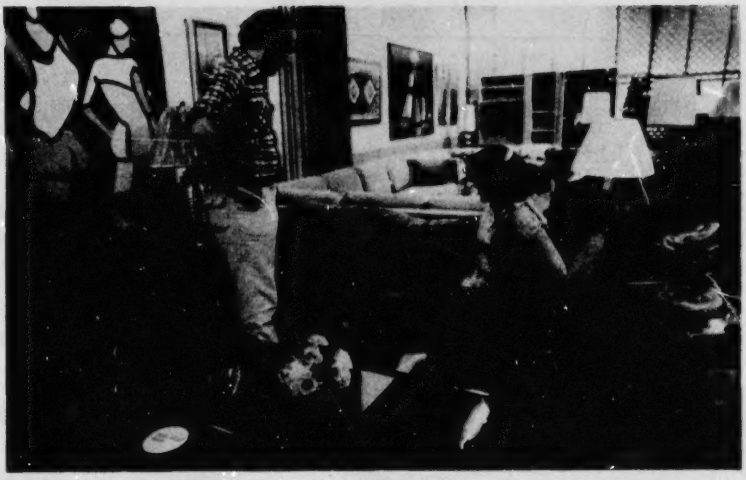
Alice sits down on the brown couch. It is very comfortable. She stands up and sits down again. The seats are good and comfortable. Alice feels the springs under the seats. These springs are good and strong. They will keep the couch comfortable for a long time.

Ron feels the rest of the frame. It is made of hard wood. He tries to move parts of the frame. The parts do not move at all. Ron thinks that this frame feels strong.

Then Alice looks carefully at the fabric on this couch. The threads in this fabric are all very close to each other. This fabric is strong. In some fabrics, the threads are not so close together. Those fabrics are not so strong.

Alice feels the fabric. It is rough. Alice's mother told her about rough and smooth fabrics. Rough fabrics may last longer than smooth fabrics. But rough fabrics may get dirty faster than smooth fabrics.

Ron picks up a cushion from this couch. He wants to see if it is made well. He looks at the seams. He pulls the fabric at the seams. The seams feel strong. Ron thinks that the seams will stay together for a long time.



Alice moves the cushions away from the back of the couch. The back of the couch doesn't move when she tries to shake it. The back of the couch feels soft.

"I think that this couch will be comfortable for a long time," Alice says.

Ron sits down on the couch. He thinks that it is very comfortable too. Then he looks at the price tag.

"I like this couch," he says. "It's not too expensive."

"I like it too," Alice says. "But I want to look at some more couches in this store. We have to make sure that we get the best couch for our money."

Alice and Ron look at some more couches. Alice sees a dark green couch. It has funny cushions on it. The fabric of the cushions has flowers on it. Alice likes fabrics with flowers on them But she doesn't like this couch. She wants the same fabric all over the couch.

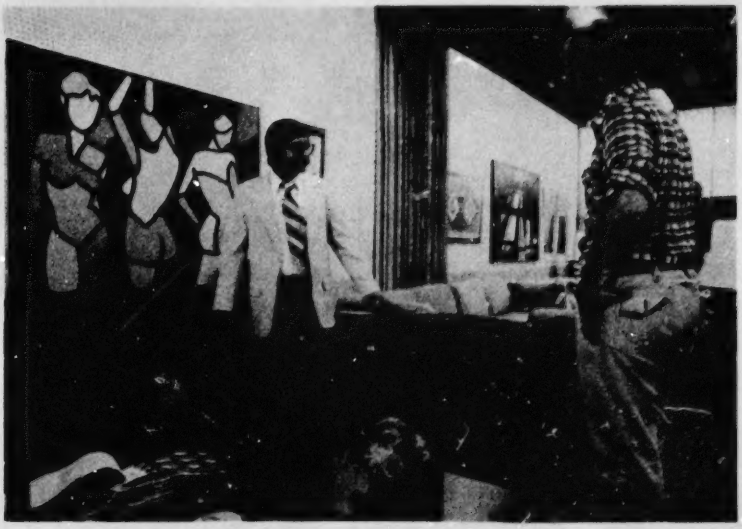
Ron looks at this green couch. He smiles.

"You found a couch with flowers on it," he laughs.

"Yes," Alice says. "But I think that this one looks funny."

"I do too," Ron says. "I don't like this couch. I don't want a couch with flowers on the fabric."

Ron sees a salesclerk. He goes over to talk to him. Alice wants to look at some other couches. She doesn't go to talk to the salesclerk.



Ron and the salesclerk walk over to the brown couch and talk about it. Then Ron asks, "Does this store have any credit plans?"

"We take two credit cards," says the salesclerk.

"We don't have any credit cards," Ron says.

"Well, we have two store credit plans," the salesclerk says. "With both plans, you can get your new couch right away. One plan is called the 90-day plan. In this plan you have three months to pay for the couch. You don't have to pay any extra money. You don't have to pay interest. But you have to pay all of the money in three months."

"We can't pay for the couch in three months," Ron says.

"We have another credit plan," the salesclerk says. "This plan is called an installment credit plan. In this plan you can take 36 months to pay for the couch. But each month you have to pay interest."

"Tell me more about this plan," Ron says.

"It works like this," the salesclerk says. "First you pay some of the money for the couch. This money is called a down payment. Then you decide how much money you can pay each month. This money is called an installment payment. The installment payment is the same every month."

Then the salesclerk tells Ron all about the interest. Stores must tell customers all about the interest on their credit plans. It is the law.

Then Ron says, "We'll have to think about these plans."

"Which couch do you want?" the salesman asks. "Three people can sit on this couch. Two people can sit on this love seat. We have a special price if you buy both of them."

"We only need one of them," Ron says with a smile.

"Then I'm sure that you need the bigger couch," the salesclerk says. "I can write up the sale now. You can call and tell me about the size."

"No thanks," Ron says. "We'll come back next week."

Then the salesclerk gives Ron some papers. These papers tell about the credit plans at Furniture Mart. Ron and Alice will have to read them carefully at home.

Alice walks over to Ron and the salesclerk. She says hello to the salesclerk. Then the salesclerk has to go to talk to some other customers.

"Come on," Ron says. "Let's go home."

'OK," Alice says.

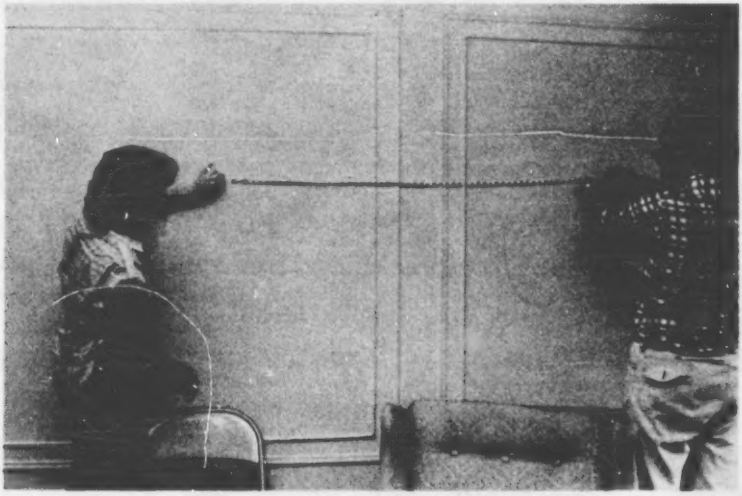
Alice and Ron leave Furniture Mart.

On the way home, Ron tells Alice about the credit plans at Furniture Mart.

Ron and Alice get home. They sit and talk about the brown couch. They talk about the size of their living room. They want the couch to fit in their living room. They want their living room to look good.

They look around the room. They move some of their furniture. They decide that the couch should go by the wall next to the door. They look at the wall. They want to see how long it is. They see that the couch will fit in their living room.

They decide that they want the couch. They don't want the love seat.



Then Ron and Alice look at the papers about the credit plans at Furniture Mart. They read them carefully and talk about the two credit plans.

"I don't think that we can pay for the couch in three months," Ron says.

"I think that you're right," Alice says. "But I don't want to pay so much extra money."

"We have to," Ron says. "We can't pay for the couch in three months."

Ron and Alice talk about the color of the fabric. Alice is not sure that she wants a brown couch. Alice tells Ron that she will go back to the store and look at it again.

CHAPTER 3

On Monday morning Alice makes breakfast for herself. She thinks about their friends, Bob and Jill. They came over last night. There were not enough chairs in their living room. Alice had to sit on the floor.

"I would like to have a comfortable couch," Alice thinks. "I wish that we could get one right away."

Alice decides to go out. She wants to buy a newspaper. She wants to look at the Help Wanted ads. She wants to go to a bank and talk to someone about a loan. She also wants to go back to Furniture Mart and look at the brown couch again.

Alice gets ready and goes out. First she goes to the bank. She talks with the loan officer at the bank. He tells her about loans. The interest on a loan would cost less than the interest on the credit plan at Furniture Mart.

The officer asks Alice to fill out an application for a loan. Alice fills it out. Then the officer looks at Alice's application. He says that he doesn't think that Alice and Ron can get a loan at this bank. The people at this bank will think about this loan. Alice should call him in a few days. Then the officer will tell her if they can get a loan.

Alice walks to Furniture Mart. On the way, she thinks about the couch. She is going to look at it carefully. She wants to make sure that it is the right size for their living room. She also wants to look at the fabric again. Now she thinks that she doesn't want a couch with flowers on it. Ron wants a couch with one color on it. Now she wants that too.

"I don't think that we want a brown couch," Alice thinks. "I wonder if they have a tan couch. A tan couch would look good in our living room."

Alice goes into Furniture Mart. She looks around the store again.

Alice finds the brown couch. The salesclerk comes over to her.

"I remember you," he says. "You were here with your husband on Saturday. You picked out this couch."

"Yes," Alice says. "My husband likes it. But I think that we want another color."

"That's easy," says the salesclerk. "I'll get the book of fabrics. You can look at them."

"What is that?" Alice asks.

"This couch comes in many different fabrics," the salesclerk says with a smile. "I'll show you the other fabrics. You can pick out a different color for your new couch."

"Good," Alice says.

"But I have to tell you something," the salesclerk says. "You can get a couch with this fabric in two weeks. You can't get a couch with a different fabric right away. It will take about 12 weeks to get a couch with a different fabric. The factory will have to make the couch for you."

"That's OK," Alice says. "We want the right couch for our apartment. We want it to look good."

The salesclerk gets the book of fabrics. He shows them to Alice. She sees a pretty tan fabric. She likes it. She thinks that a tan couch would look good in their apartment. The salesclerk tells Alice that a couch with this fabric will cost more money than the brown couch.

Alice thinks about this tan fabric. She knows that they can't spend any more money on the couch.

"We can't spend any more money on the couch," Alice tells the salesclerk.

"Well, I can show you some cheaper fabrics," the salesclerk says.

Alice looks at the other fabrics. She sees another tan fabric. She likes it and it is cheaper than the other tan fabric.

"You can get this couch with this fabric," the salesclerk says. "It will be the same price as this brown couch."

"Is the cheaper tan fabric as strong as the expensive tan fabric?" Alice asks.

"Yes," the salesclerk says. "This fabric will last just as long as the expensive fabric."

Alice is happy. Now she can get the right color for the couch. She can't wait to have the new tan couch in their apartment.

"I'll talk to my husband," she says. "He has to look at the fabric too."

"OK," the salesclerk says. "Bring him in soon."

"We'll be in on Saturday," Alice says.

"Good," the salesclerk says. "See you then."

Alice leaves the store. She can't wait to tell Ron about the tan fabric. She is glad that the couch with the tan fabric is the same price as the brown couch.

Alice goes to buy a newspaper. She wants to look at the Help Wanted ads. Now she really wants to get a job. She wants to have the new couch in their apartment soon. She wants to buy some more new furniture. She wants their apartment to look very good.

Alice buys the newspaper. She sits down in the park with her newspaper. She looks through it. There are no good ads for couches. Then she looks through the Help Wanted ads. She looks at ads for many different kinds of jobs. She sees two ads for jobs in restaurants. These restaurants need a waitress.

Alice thinks about the job in a restaurant. She likes to talk to people. In a restaurant she will have to talk to many people. Alice thinks that she can learn how to be a good waitress. She might like to be a waitress. Alice decides that she will call these restaurants today.

On the way home, Alice thinks about the new couch. She likes the expensive tan fabric. But she also likes the cheaper tan fabric. The cheaper tan fabric feels strong. She thinks that it is also good fabric. Alice is glad that the couch comes in the cheaper tan fabric. She hopes that Ron will like this fabric. She hopes that he will like a tan couch.

At home, Alice looks in the newspaper again. She finds the ads for the jobs in the restaurants. She calls the restaurants.

The first restaurant tells Alice that someone else came for the job this morning. That person will be working at this restaurant. Alice feels bad.

"I should have called this morning," Alice thinks.

Alice calls the other restaurant. The man at this restaurant says that they need a waitress to work at night.

"I can't work at night," Alice says.

"OK, call me back in two months," the man tells Alice. "Then we might need a waitress to work during the day."

Alice writes down the man's name and the telephone number. She will call him again in two months. Alice puts the paper away. She hopes that she will find a job by then.

CHAPTER 4

On Saturday morning Alice and Ron make breakfast. Alice feels bad this morning. She called the bank yesterday. The officer said that the bank can't give them a loan.

At the breakfast table, Alice and Ron talk about the credit plans at Furniture Mart.

Then Alice says, "Let's finish breakfast. I want to go to Furniture Mart. I want to show you the tan fabric."

"OK, I'm hurrying," Ron says. "I want to see that fabric. But we don't want to miss the baseball game on TV this afternoon."

After breakfast Ron gets dressed. Then they go to Furniture Mart.

Alice and Ron go into Furniture Mart. They look for the brown couch. Finally they see it again. Alice sits down on it. She thinks that it is very comfortable. Ron feels the frame again. He thinks that it is very strong. They think that this couch is right for them. It is comfortable. It will last for a long time. And the price is right.

Then Alice finds the book of fabrics. She shows Ron the tan fabric.

"Is this the cheaper tan fabric?" Ron asks.

"Yes, it is," Alice says. "Do you like it?"

Ron looks at the fabric. He tries to think about a tan couch in their apartment.

Ron feels the fabric. He looks at it carefully. He thinks that the fabric is strong. He thinks it will last for a long time. Finally he says. "I like this fabric. I think that a tan couch will look good in our apartment."

Ron and Alice know that they will have to keep their new couch for a long time. A couch costs a lot of money. They won't be able to buy another new couch for a long time. They have to buy a good couch for their money.

Alice goes to look for the salesclerk. He is helping someone else. He tells Alice that he will be with her in a few minutes. Alice goes back to Ron. She tells him that they have to wait.

Soon the salesclerk comes over to Ron and Alice.

"Do you want to buy this couch?" the salesclerk asks.

"Yes," Alice says. "We want this couch. We don't want the love seat. The couch is the right size for our apartment."

"I think that you'll be happy with this one," the salesclerk tells Ron and Alice.

The salesclerk takes out a paper. He writes down the number for this couch.

"What fabric do you want?" he asks them.

Alice shows the cheaper tan fabric to the salesclerk. Then the salesclerk writes down the number for this fabric.

The salesclerk says, "Let's go sit down at my desk."

Alice, Ron and salesclerk walk to the salesclerk's desk. The salesclerk asks Ron and Alice about the credit plans.

"We can't buy the couch on the 90-day plan," Alice says. "We can't pay for it in three months."

"Then you're going to buy the couch on the installment credit plan?" the salesclerk asks.

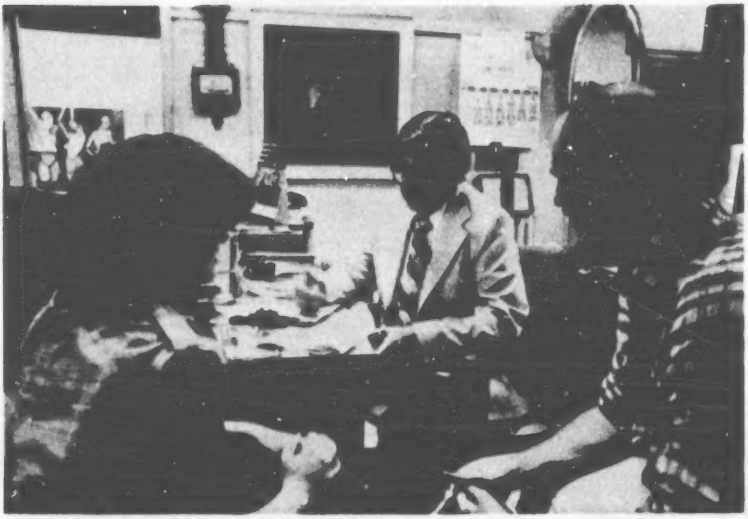
"Yes," Ron says.

The salesclerk looks at the numbers for the couch and for the fabric. He writes these numbers down on the application for the installment credit plan.

The salesclerk tells Alice and Ron that the couch costs $329. The sales tax is $19.75. If they could pay cash, the couch would cost $348.75.

Furniture Mart will bring the new couch to the Bell's apartment for free. Alice and Ron don't have to pay for the delivery because they live near Furniture Mart. If they lived far away from Furniture Mart, they would have to pay for the delivery. The delivery could cost as much as $25.

Then the salesclerk asks Ron and Alice some questions. He wants to know if they will be able to pay the installment payments on time. He asks them where they live. He asks Alice if she has a job. Alice says no. The salesclerk asks Ron if he has a job. Ron tells him where he works. Ron also tells him that he has been working there for two years.



Then the salesclerk asks them about their banks. Ron says that they have a savings account in First Savings and Loan Association. He also tells the salesclerk that they don't have a checking account.

The salesclerk writes all the answers down on the application for the installment credit plan. Then he tells them that his office will have to call First Savings and Loan Association and Ron's company. If everything is OK, they can buy their couch on credit. He will call them in a few days.

Then Ron and Alice will have to bring in the down payment. Then the store will tell the factory to make their new couch. It will be ready in about 12 weeks.

Ron and Alice will make their first installment payment after the delivery of their new couch.

Then the salesclerk talks to them about the installment credit plan. He wants to make sure that they know everything about it.

First the salesclerk tells them that the down payment will be $69.75. At this furniture store, the down payment is 20% of the cost of the couch.

Then the salesclerk asks Ron and Alice how much they want to pay each month. Alice tells him that they can pay about $25 each month.

The salesclerk takes out a credit booklet and looks at it. Then he tells Ron and Alice that it will take about twelve months to pay for their couch.

The salesclerk takes out a paper. It is a contract. A contract is a legal paper. The salesclerk has to write everything down on the contract. The contract tells what the store has to do. It also tells what the customer has to do.

Ron and Alice will make a down payment of $69.75. The salesclerk subtracts this money from the cost of the couch and the sales tax. The rest of the money is called the unpaid balance. Ron and Alice will owe an unpaid balance of $279.00.

Ron and Alice must pay interest on this unpaid balance. The salesclerk looks in his credit booklet. If Ron and Alice pay for the couch in one year, their interest will be $50.22. After they pay the down payment, Alice and Ron will owe the unpaid balance and the interest. They will owe $329.22.

COST OF COUCH $329.00
SALES TAX + 19.75
348.75
DOWN PAYMENT - 69.75
UNPAID BALANCE 279.00
INTEREST + 50.22
TOTAL $329.22

Then the salesclerk tells Ron and Alice about their installment payments. For eleven months, they will pay $28 each month. But for the last month, they will only have to pay $21.22. Ron and Alice tell the salesclerk that this is OK. They can pay $28 each month.

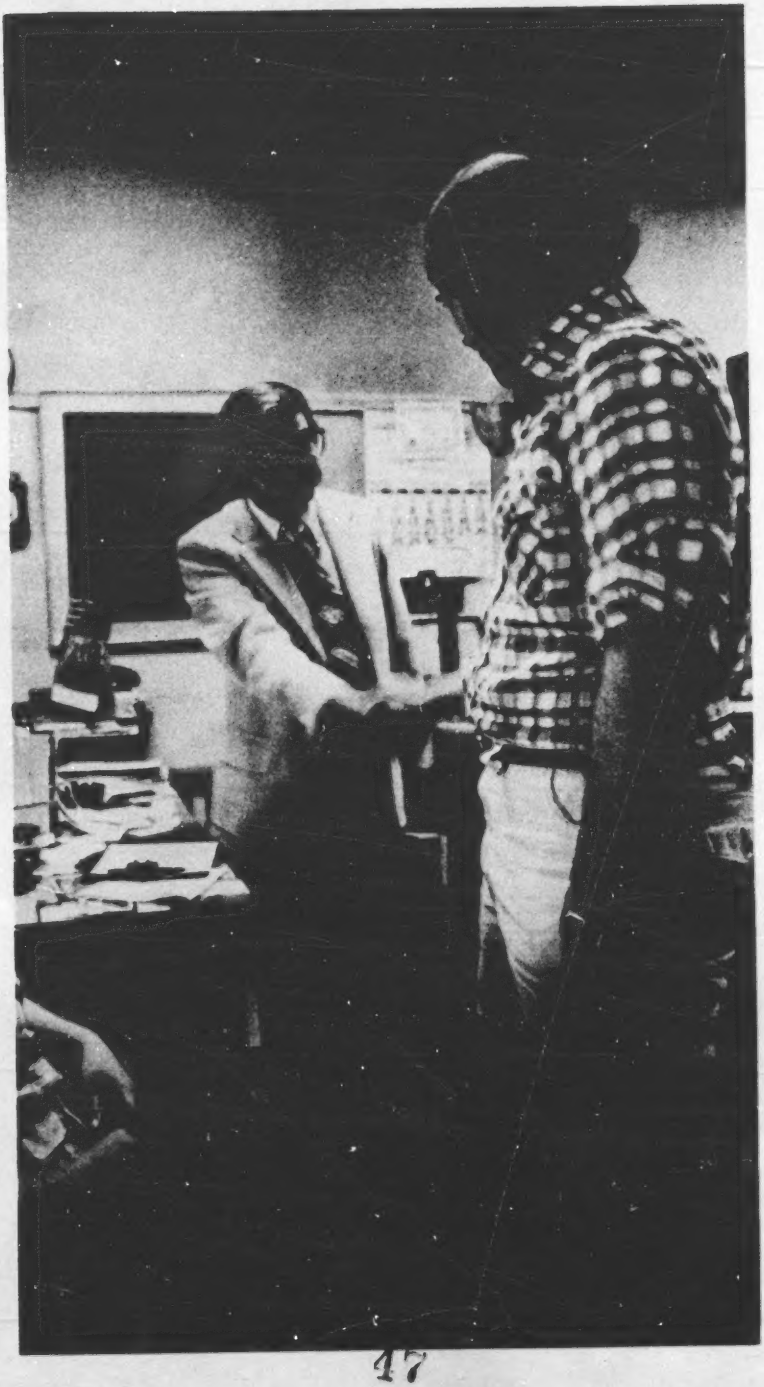
The salesclerk writes everything down on the contract. Now the contract says that Ron and Alice Bell are buying a tan couch from Furniture Mart. It tells how much the couch costs. It tells all about the down payment and the installment payments. It says that Ron and Alice will pay for the couch in twelve months. It also says that Furniture Mart will bring the tan couch to the Bell's apartment in good condition.

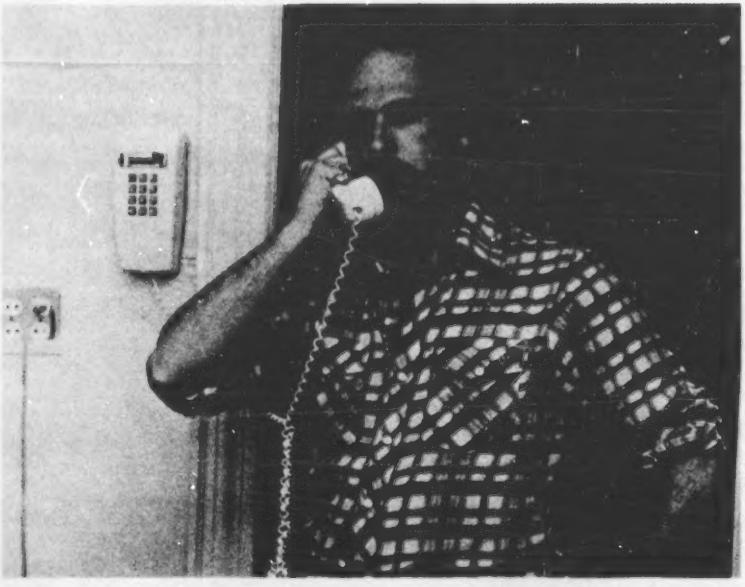
Ron and Alice read the contract carefully. They want to make sure that the salesclerk wrote the right numbers in the contract. They think that the contract is OK. Ron signs the contract and gives it back to the salesclerk. The salesclerk gives one copy of the contract to Ron. He keeps two copies for the store.

Then he tells Ron and Alice that the store will call them in a few days. The store has to decide if Ron and Alice can use the installment credit plan at this store.

Ron shakes hands with the salesclerk. Alice thanks him.

Alice and Ron leave the store. They hope that they can buy the tan couch on the installment credit plan at Furniture Mart.





Ron and Alice go home and watch the baseball game on the TV. Soon the telephone rings. It is Ron's brother. Ron tells him about their new couch and the installment credit plan.

Ron's brother says that Ron and Alice should put their money in their savings account. Savings and loan associations pay interest on money in savings accounts. When consumers buy things on credit, they have to pay extra money to the store. Consumers have to pay the interest.

Ron tells his brother that he doesn't want to wait for a year for a new couch. Ron's brother says that he doesn't buy anything on credit.

Ron hangs up the telephone. He is upset. He doesn't know if he bought the couch in the right way.

CHAPTER 5

In a few days, the salesclerk from Furniture Mart calls Ron. He says that they can buy the couch on the installment credit plan. Ron and Alice are very happy. Alice goes to Furniture Mart and gives $69.75 to the store. This is the down payment on their couch. The store gives her a book of coupons. When Alice and Ron make a payment, they have to send a coupon with the payment.

The next week Alice gets a job at Rose's restaurant.

For the next three months Alice and Ron work and wait for their new couch. Then one morning Ron gets a telephone call from the salesclerk. Furniture Mart can bring the couch on Friday. Ron knows that someone has to be home when the store brings the couch. Ron tells the salesclerk that Alice will be home. She doesn't work on Fridays.

The next day Alice's friend Carol comes to her apartment. Alice and Carol sit down and have some soda. Carol tells Alice that she is working hard in school. Alice tells Carol about her job. Then they talk about their friend Mary. She is going to get married soon. Mary will have to get an apartment. Then she will have to buy some furniture.

Alice and Carol talk about furniture. Alice tells Carol about her new couch.

Alice and Carol go into the living room. Carol looks at the furniture in this room. Carol thinks that a tan couch will look good in this living room. Carol also thinks that the couch will look good by the wall near the door.

Alice and Carol sit down in the living room. Carol tells Alice about her couch. Two years ago Carol and her husband couldn't buy anything on credit from a store. Carol didn't have a job. Her husband's job wasn't very good. They decided to buy a couch on the lay-away plan.

On all lay-away plans, the consumers have to pay for the furniture first. Then they can get the furniture. On some lay-away plans, consumers also have to pay interest. On other lay-away plans, there is no interest.

Carol and her husband didn't have to pay any interest on the lay-away plan. First they gave the store some money for the down payment. The store said that they could take a long time to pay for the couch. Carol and her husband couldn't pay every month. They had to pay many other bills.

Finally, Carol and her husband were ready to make the last payment on the couch. They went to the store. But the store didn't have the same couch anymore. They had to pick out another couch.

Carol and her husband couldn't find another couch for the same money. They only liked the more expensive couches. The store wouldn't give their money back to them. They had to pay more money to get a couch. They also had to pay this money on the lay-away plan. Finally they had paid for an expensive couch. Then the store brought the expensive couch to their apartment.

Then Carol tells Alice, "We spent a lot of money on our couch. We didn't want to buy such an expensive couch. We didn't plan to spend that much money."

"We didn't have to use the lay-away plan," Alice says. "We bought our couch on the installment credit plan. We only had to give the down payment to the store. We're going to get the couch on Friday. Then we will start to pay the rest of the money."

"Do you have to pay a lot of interest?" Carol asks.

"Yes, we have to pay interest on this plan," Alice says. "But if we pay for the couch in less than twelve months, we will pay less interest. We're going to try to do that."

"I hope that you can," Carol says.

"Me too," Alice says.

"We're not going to buy anything else on the lay-away plan," Carol says.

"Well, we're going to try to pay cash when we buy some more furniture," Alice says. "We don't want to pay interest any more. We can save the money in our savings account."

Alice and Carol talk about some movies. Then Carol goes home. Alice starts to make dinner.

CHAPTER 6

On Friday Alice has to stay home all day. Someone has to be home when the store brings the couch to the apartment.

Alice waits and waits. She does some work around the apartment. She hopes that the furniture store is going to bring the couch today. She hopes that they bring it soon. She wants to see the new couch in their living room.

Finally, the men from Furniture Mart bring the couch. Alice shows them where they should put the couch. Then the men take the paper off the couch.

The men from Furniture Mart give Alice a paper. This paper is a receipt. It says that the men brought a tan couch to the Bell's apartment in good condition. Alice signs it. The men give Alice one copy of the receipt. They will take the other copy back to the furniture store.

Alice's signature on the receipt shows that Alice got her new couch. The receipt says that the couch came in good condition.

The men from Furniture Mart leave. In a little while, Ron comes home.

"I see that we got the couch," Ron says with a smile.

"Yes, the men left a little while ago," Alice says.

Ron and Alice look at the couch carefully. They see some trouble in one corner. The fabric is OK, but the seam is open. Alice and Ron are upset. They don't want any trouble with their new couch.

Ron looks at the receipt.

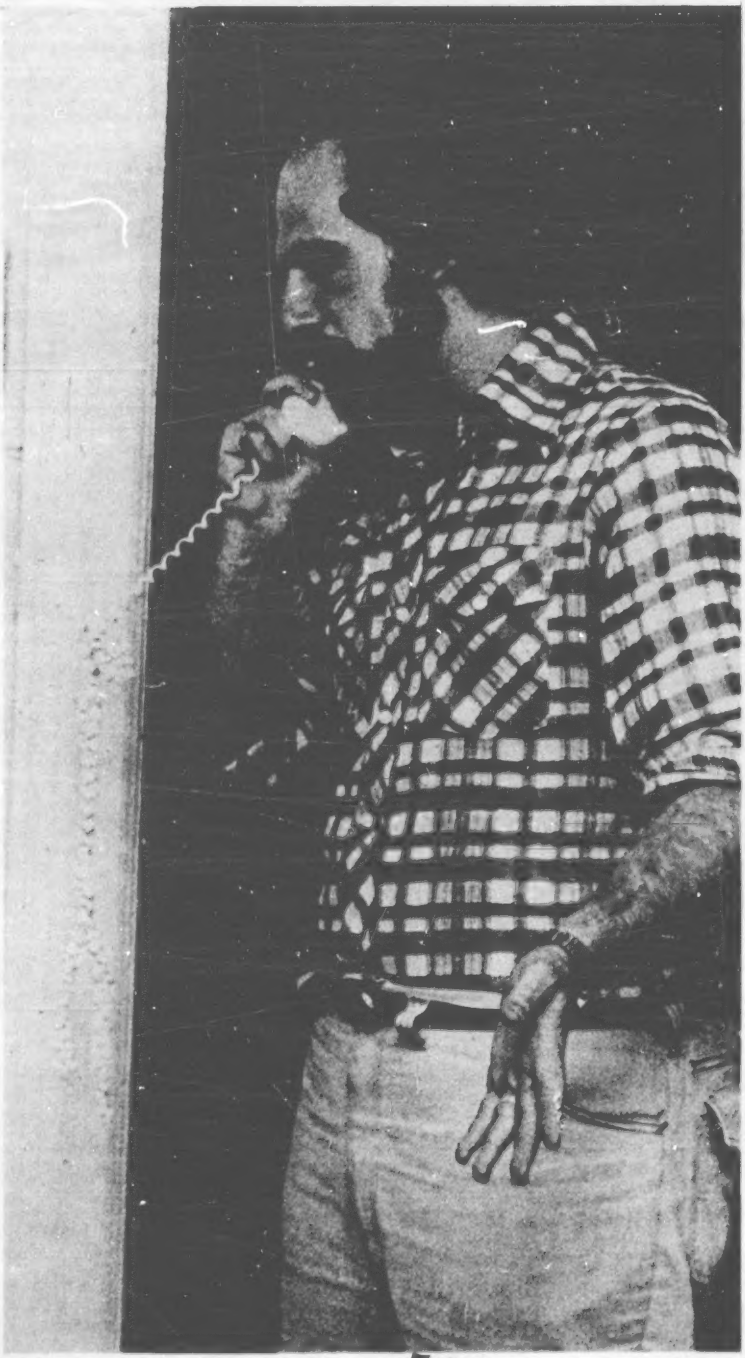
"You didn't look at the couch before you signed your name on this receipt!" Ron says.

"Did I have to?" Alice asks.

"Yes, your signature shows the store that you got the couch in good condition," Ron says. "I hope that the store will fix this seam. The store doesn't have to."

Alice feels bad. She didn't do the right thing.

"I'll call Furniture Mart tomorrow," Ron says.



The next morning Ron calls Furniture Mart. He talks to the salesclerk. He tells the salesclerk that the men from Furniture Mart brought their new couch to their apartment yesterday. Then Ron tells the salesclerk about the open seam.

"Didn't your wife look at the couch before the men left your apartment?" the salesclerk asks.

"No, she didn't," Ron says. "She didn't know that she had to do that."

"You're lucky," the salesclerk says. "This is a very good store. I'll send someone to fix the couch next week. It won't cost you any money. I'm sorry that this happened."

"What day will the men come and fix it?" Ron asks.

"I don't know when they can come to your apartment," the salesclerk says. "Call me on Monday."

"OK," Ron says. "Thanks."

Ron hangs up the telephone. He is glad that Furniture Mart will fix the couch soon. Some stores would not fix a new couch from their store. Other stores would make Ron pay to fix the couch.

Ron tells Alice what the salesclerk said. Alice is happy that Furniture Mart will fix the couch for free.

On Monday Ron calls Furniture Mart. The salesclerk tells him that the man will come on Friday afternoon. Ron is glad that Alice doesn't work on Fridays. She can be home.

On Friday afternoon Alice has to stay home again. The man from Furniture Mart comes and fixes the couch. He sews the seam together. The man looks at the rest of the couch.

Alice looks at the couch very carefully. Then she signs the receipt. This receipt says that the man fixed the Bell's couch.

Alice is glad that she did the right thing this time. She looked at the couch before she signed the receipt. The couch is OK now.

Ron will also be glad that she did the right thing this time.

CHAPTER 7

Alice has been working for six months. She likes her job. She is glad that she can help pay the bills. She is glad that they have more money in the savings account now.

For six months Ron and Alice have been sending $28 to Furniture Mart every month. Alice and Ron don't have a checking account so they can't send a check. Alice knows that she can't send dollar bills in the mail. They could get lost. Alice always goes to the post office. She can buy money orders there.

Alice always keeps part of the money order. This part is called the receipt. These receipts show how much money Ron and Alice have sent to Furniture Mart for their couch. If they have any trouble with Furniture Mart, they can show the receipts for their money orders to the store.

Tonight Ron and Alice are looking at the contract from the store and the money order receipts. They have made six payments to Furniture Mart.

The contract says that the couch costs $348.75. They paid $69.75 as a down payment. Then the contract says that the unpaid balance is $279.00. It also says that the interest is $50.22. Ron and Alice had to pay the unpaid balance and the interest. The total was $329.22.

The receipts for the money orders show that Ron and Alice have paid six payments. They paid $168 in installments. The coupon book says that now they owe $161.22.

Ron and Alice think about their installment payments to Furniture Mart. They think that they can send more money to Furniture Mart each month.

Ron and Alice look in the booklet about the installment credit plan. They read about the interest on the unpaid balance. If Ron and Alice pay for the couch in less than twelve months, they will pay less interest.

Ron and Alice don't want to pay so much interest. They decide that now they can send $55 to Furniture Mart each month. Then it will only take three more months to pay for the couch. And they will pay less interest.

For the next two months Alice and Ron work hard. They send $55 to Furniture Mart each month. They also put some of their money in the savings and loan association.

Ron and Alice have been thinking about more furniture. They decide that they don't want to use the installment credit plan again. They don't want to pay interest again. They decide that they will save their money. They will get interest on their savings account. They will pay cash when they buy more furniture.

Finally Alice and Ron are ready to make the last installment payment. But they don't know how much the last payment will be. Alice will have to go to Furniture Mart and make the last payment.

On Friday Alice goes to Furniture Mart. She goes to the credit office. The credit manager talks to her about the installment credit plan.

The credit manager looks at the Bell's contract with Furniture Mart. It says that interest on their couch is $50.22. But Alice and Ron are paying the last payment three months early. Now they don't have to pay so much interest. They don't have to pay $3.81 of the interest. They are saving $3.81. This money is called a rebate.

The credit manager tells Alice that the last payment is $47.41. The last payment should have been $51.22. Ron and Alice got a rebate of $3.81. Alice gives the credit manager the money. The credit manager writes this amount on the contract. He also writes "PAID" on the contract. Then he signs the contract. Alice also signs it.

The credit manager gives Alice her copy of the contract. The contract now says that Alice and Ron Bell have paid for their couch. They do not have to pay Furniture Mart any more money.

Alice thanks the credit manager. Then she goes home.

When Ron comes home from work, Alice tells him about the rebate. The cost of the couch and the sales tax was $348.75. The interest on the contract was $50.22. But they got a rebate. They only had to pay $47.41 in interest. In the end, Alice and Ron had to pay $396.16 for their new couch.

But Alice and Ron are happy tonight. They have paid for their couch. They don't have to send any more money orders to Furniture Mart.

Alice and Ron like to sit on their new couch. They can sit next to each other and watch TV. They will have more places to sit when their friends come to see them. Their apartment looks good. They feel great!

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